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SUPPORT

PROGRAMME PLANNING

FOURTH PROGRAMMING CYCLE

Questions relating to Namibia

Report of the Administrator

SUMMARY

By its decision 89/38 of 30 June 1989, the Governing Council of the United Nations Development Programme (UNDP) inter alia urged the Administrator to establish a trust fund for Namibia, and requested the Administrator to report to the Governing Council at its thirty-seventh session on the results of the studies to establish a fourth cycle indicative planning figure (IPF) for Namibia.

In the present report, the Administrator informs the Council about the establishment of the fund and the results of the studies undertaken by UNDP to establish a base for calculating the definitive fourth cycle IPF for Namibia.

Information is also given on resources available to the fourth cycle IPF for Namibia as an unutilized balance from those projects which have been funded under IPF for national liberation movements, and from which Namibians have been benefiting. Further, the report includes a calculation of the independence bonus to be added to the fourth cycle IPF for Namibia.

I. BACKGROUND

1. In its decision 85/16, of 29 June 1985, the Governing Council recognized the special circumstances relating to the situation in Namibia and decided to increase, on an exceptional basis, its fourth cycle indicative planning figure (IPF) by 50 per cent, plus an amount of up to $3.0 million. During the fourth cycle, this amounted to a base of $4.26 million (a calculated IPF of $407,000, plus a floor supplement of $3.86 million) plus 50 per cent ($2.13 million) plus a special bonus of $3.0 million for a total IPF of $9.39 million. Under the terms of Governing Council decision 88/31 A of 1 July 1998, this was subsequently increased to $11.03 million. The calculated IPF was based on the estimated 1983 per capita gross national product (GNP) estimate of $1,710 and a 1983 population of 1.09 million.

2. The Council also urged the Administrator to establish a trust fund for Namibia, in consultation with the international donor community, to mobilize resources for preparatory activities and the preparation of contingency plans during the transition period up to and immediately following independence. The UNDP Trust Fund for Namibia was established on 18 September 1989, and it became operational on 23 November, following the approval of the first project to be financed from the Fund's resources.

II. RESULTS OF THE STUDIES TO ESTABLISH A FOURTH CYCLE IPF FOR NAMIBIA

3. Representatives of the Department of Technical Co-operation for Development of the United Nations Secretariat (DTCD), in collaboration with the Statistical Office of the United Nations, undertook a mission to Namibia, from 22 October to 10 November 1989. Members of the mission prepared the population and GDP estimates, pertaining to mid-1989. The population was estimated to be 1.71 million.

4. The initial assessment of the mission shows that the estimated per capita GDP amounted to $1,044, an appreciably different figure from the World Bank estimate of $1,200 which has been used to illustrate hypothetical IPF distribution scenarios. It should also be pointed out that the breakdown of the per capita GDP shows a disparity in the figures, ranging from $14,650 for whites (5 per cent of the total population), to $63 for non-whites supported by the traditional economy, who represent about 55 per cent of the total population.

III. UNPROGRAMMED RESOURCES UNDER THE FOURTH CYCLE IPF FOR NATIONAL LIBERATION MOVEMENTS

5. Concerning resources available to Namibia during the fourth cycle, there will be savings or unutilized balances from the projects for which Namibians have been beneficiaries under the IPF of the special assistance programme for national liberation movements (NLMs) recognized by the Organization of African Unity (OAU). Only two of those projects will continue until the end of 1990. The other six

projects have been scaled down, and the unutilized resources, originally programmed for the South-West Africa People's Organization (SWAPO) component of the special assistance programme, became available for transfer to IPF for Namibia. These savings are expected to amount to $2.13 million.

6. Another element will be Namibia's independence bonus which, according to the current instructions approved by the Governing Council, consists of a lump sum of $500,000, to which will be added an amount equivalent to 15 per cent of the existing IPF, or $1.65 million. Accordingly, the independence bonus for Namibia will total $2.15 million.

IV. PROPOSED IPF FOR NAMIBIA

7. It is proposed that the funds available for IPF resources for Namibia during the fourth cycle should consist of the following:

IPF resources, 1987-1991	Millions of US dollars
Carry-over from the third cycle	0.36
Fourth cycle IPF	11.03
Independence bonus	2.15
Namibia's portion of unutilized IPF resources (1987-1991) for NLMs	2.13
Total	15.67

V. RECOMMENDATION OF THE ADMINISTRATOR

8. Based on the information given above, the Administrator recommends to the Governing Council that he be authorized to undertake the following action relating to Namibia:

(a) Consolidate the resources listed in paragraph 7 above into the fourth programming cycle IPF for Namibia, and utilize the available funds for programmes and projects for the country during the remainder of the fourth cycle (1990-1991);

(b) Report to the Governing Council at its thirty-eighth session on the developments and effectiveness of the Namibia programme, as well as relevant issues pertaining to its implementation and management.

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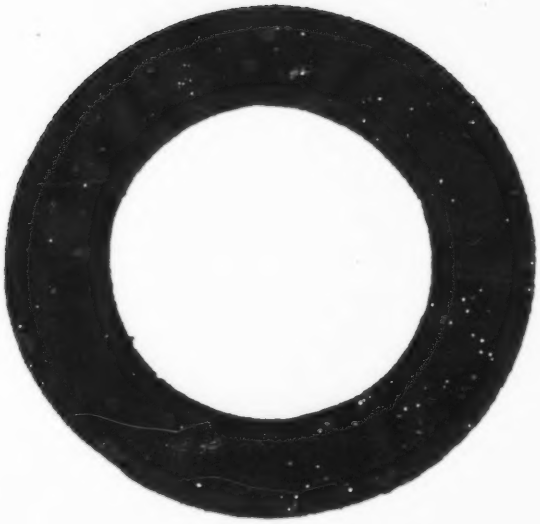

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PROGRAMME PLANNING

COUNTRY, INTERCOUNTRY AND GLOBAL PROGRAMMES

REPORTS ON MID-TERM REVIEWS OF COUNTRY, INTERCOUNTRY AND GLOBAL PROGRAMMES

Reports on mid-term reviews: an overview

Report of the Administrator

SUMMARY

The present report is the third in the series responding to Governing Council decision 89/10 of 23 February 1989. It focuses on the salient points that emerged from the reviews of 46 programmes. No significant changes were noted in the economic policy or priorities of the programmes concerned to warrant any resubmission of them to the Council.

It should also be noted that addendum 1 to the present report contains a note by the Administrator on the evaluation of the mid-term country programme review process.

INTRODUCTION

1. The Governing Council, in its decision 89/11 of 24 February 1989, decided to consider mid-term reviews of country, regional, interregional and global programmes on three occasions, firstly at the thirty-sixth session (1989), secondly at the organizational meeting in February 1990, and thirdly at the thirty-seventh session.

2. The present report focuses on the salient points of the 46 programmes reviewed during the period 1 July-31 December 1989. In general, it confirms the observations made in the report of the Administrator on mid-term reviews (DP/1990/12), which was submitted to the Council at its special session in February 1990. Addendum 1 to the present report contains a note by the Administrator on the evaluation of the mid-term country programme review process. The annex to the present report contains summary financial data on commitments against the indicative planning figures (IPFs) of each of the 46 programmes at the time of the mid-term reviews.

3. Summaries of the mid-term reviews for the following programmes are being distributed to the Governing Council:

Regional Bureau for Africa (RBA): Ghana, Zaire, regional programme;

Regional Bureau for Asia and the Pacific (RBAP): Myanmar, Viet Nam;

Regional Bureau for Arab States and Europe (RBASE): Egypt;

Regional Bureau for Latin America and the Caribbean (RBLAC): Caribbean multi-island.

I. SURVEY OF THE PROGRAMMES REVIEWED

A. General observations

4. During the period 1 July-31 December 1989, mid-term reviews were completed for the 43 countries listed in table 2 of the annex. Additionally, mid-term reviews were held for the regional programmes of Africa, the Caribbean multi-island programme and the Interregional and Global Programme. The total IPFs for these country and regional programmes amounted to $1.1 billion, or 30 per cent of the total IPFs for the fourth programming cycle.

5. The present mid-term reviews reflect essentially the same points reported to the Governing Council in document DP/1990/12, namely:

(a) Preparations for mid-term reviews. There is no doubt that mid-term reviews receive the special attention of Governments and UNDP field offices alike and that substantial time and effort are invested in them. Preparatory arrangements vary but, in many countries, these have been extensive and have included sectoral reviews by specialized agencies as well as reviews of specific topics and programme areas by specially engaged national or international consultants;

(b) Participation. Attendance from Governments and United Nations agencies continues to be good. This was particularly impressive in the case of Governments where, in many instances, the head of the national co-ordinating authority presided over the proceedings and the user ministries and departments were well represented. In many countries, the mid-term reviews constitute the rare occasion when the central co-ordinating authority, the user ministries and UNDP staff - all at a senior level - have an opportunity of meeting together on an agenda focused exclusively on UNDP programmes and projects. Additionally, executing agencies and UNDP headquarters staff regularly participate;

(c) Programme and project monitoring. The mid-term review continues to be an admirable instrument for project-by-project monitoring. Since it usually takes place at the midpoint of the programming cycle, the major part of the programme is operational, allowing sufficient duration on which to judge performance and sufficient time before the end of the cycle for any corrective action deemed necessary. This experience has been repeatedly reported by several Resident Representatives; the increased attention given to mid-term reviews is proving to be most effective in maintaining the quality and timeliness of programme and project delivery;

(d) Commitment. It is commendable that, at the time of most mid-term reviews, a high commitment level has been achieved (see annex, table 2). However, uncommitted balances are sometimes insufficient for any significant IPF investment if any redirection of the programme is recommended by the MTR. This question is dealt with in para. 18 below;

(e) Changes. The mid-term reviews showed that no country programme had any change so significant as to warrant a complete resubmission to the Council. The Governments of Myanmar and Viet Nam indicated major changes in their respective economic policies but, at the time of the mid-term reviews, it was agreed to continue with the current country programmes and address changed government policies more fully during the fifth programming cycle.

B. Regional, interregional and global programmes

6. The content and modalities of intercountry programming are of a distinctive character. The mid-term reviews are likewise decidedly different from the exercise at the country level, as will be noted from the three intercountry mid-term reviews briefly described below.

1. The Caribbean multi-island programme

7. The mid-term review of this subregional programme confirmed its validity in promoting solutions to a number of common problems faced by the small island States of the Eastern Caribbean, particularly in the areas of agricultural diversification and rural development, improved public sector management, and human resources development, which are the major themes covered. The programme has been able to attract additional cost-sharing contributions that have been supplemented by the

use of national IPFs and have served to maximize the impact of activities carried out in this small but significant subregional programme.

8. At the same time, the mid-term review disclosed that there are inherent difficulties in the management of a programme catering to the needs of nine different countries and territories: complementarity must be ensured between activities carried out at the national level and those undertaken at the subregional level. Moreover, support for the programme, designed to lay the basis for economic and political integration, has proved problematic because of the need to secure high-level political decisions throughout the process of implementation. However, the mid-term review established that such challenges should continue to be addressed in view of the importance of promoting the objectives of regional integration as a strategy for optimizing the development potential of the individual countries.

2. The fourth regional programme for Africa (1987-1991)

9. With $243 million distributed among more than 350 projects, the fourth regional programme for Africa is the largest of all UNDP programmes, both in terms of resources and in projects covered. The mid-term review commenced in April 1989 and continued until December of that year.

10. The thorough mid-term review process painstakingly covered all the main elements of this complex and wide-ranging regional programme. As a result, evidence was garnered that the prime objectives, and there are many, were well addressed by the time the mid-term review process was under way. These include the four main areas of concentration: (a) research and development for food production; (b) productivity and management for the production of goods and services; (c) natural resources; and (d) infrastructure. Within these overall objectives, special attention is also given to complementary areas of intervention i.e., (a) regional and subregional co-operation and economic integration; (b) women in development; (c) drought and desertification; and (d) support to the United Nations Transport and Communications Decade in Africa.

11. The mid-term review disclosed, however, that considerable difficulties have been encountered, understandable in a programme of this magnitude and diversity. The following observations emerged:

(a) The multiplicity of the partners of the Programme has added to its complexity and has meant extensive and lengthy consultations both during the formulation of intercountry projects and in the monitoring of their implementation, thus causing some delay. In this connection, an innovative approach in project management that has had positive results is the creation of steering committees to oversee the implementation of particularly large and complex projects;

(b) The mid-term review has confirmed the coherency of the programme, its relevance to the established strategies of the region, and its effectiveness in operational activities;

(c) The mid-term review also noted that the programme has adhered to its original intentions in terms of project approvals and sectoral allocations. As of 30 June 1989, the midpoint of the programme, practically all the resources at the disposal of the programme had been committed.

3. Interregional and global programmes

12. The mid-term review, carried out during September-December 1989, was led mainly by a senior external consultant supported by other external consultants who prepared thematic analyses and by staff from the Division for Global and Interregional Programmes who assisted in a review of specific subjects. The review revealed that:

(a) Almost all programmes are being implemented as foreseen;

(b) Considerable financial support is derived from national and regional IPFs. Bilateral and multilateral donors also make significant contributions. For each dollar of the interregional IPF, more than $8.00 of collateral financing has been secured. In global programmes supported by multi-donor consortia (the Consultative Committee for International Agricultural Research (CGIAR) for instance), there is a matching of the global IPF by a ratio of 1:25;

(c) Independent of the mid-term review itself, almost every individual global and interregional programme will be subject to external review;

(d) Global and interregional programmes have picked up new development issues not foreseen when the full fourth cycle programme was formulated. These include, for instance, the human immunodeficiency virus and acquired immunodeficiency syndrome (HIV/AIDS) and debt management.

13. While the review was, in the main, extremely favourable, the global and interregional programmes are not without their particular difficulties. These are:

(a) Resources. The mid-term review reported that programme resource commitments and disbursements were well advanced, but resource constraints were also beginning to appear. Three years through the fourth cycle, 66 per cent of the $93 million global IPF has been committed and 51 per cent expended. The global pipeline indicates that $35 million worth of project proposals could be implemented in the fourth cycle, while the uncommitted IPF balance is only $33 million. Likewise, in the interregional IPF, the current cycle pipeline of implementable projects valued at $26 million is constrained by an uncommitted IPF balance of only $9.8 million;

(b) New themes. As stated above, while interregional and global programmes have responded in an innovative manner to development issues not clearly foreseen when the total fourth cycle programme was put together, this responsiveness itself has increased the resource constraints that face the Programme as a whole;

(c) Integration. The Administrator is of the view that global and interregional programming needs to be integrated, more effectively than hitherto, with regional and country programmes, both core and non-core. Internal arrangements to accomplish this are already under way.

14. One conclusion has clearly emerged from the fact that the mid-term reviews of the intercountry programmes are indeed substantial in content and extensive in coverage. Clearly, there would be an advantage in using the information contained in these reviews as the first steps of the programming exercises for the fifth cycle.

II. PROGRAMME ISSUES

A. Programme-level issues

15. It was noted that most mid-term reviews do not focus sufficiently on programme-level issues. To argue that most of the original country programmes were project-oriented and that this more limited approach is reflected in the mid-term reviews, permits only a partial assessment of the benefits of the mid-term reviews.

16. However, there are some significant instances where the mid-term review has led to policy changes in the country programme. For instance, in the case of Ghana, the 1989 mid-term review of the fourth country programme reflected a process which began with the mid-term review for the third country programme in 1984. At that review, a project-oriented country programme was changed to one which was programme-oriented and which carried over to the fourth country programme with three major objectives: (a) strengthening the capacity of the Government for planning and economic management; (b) promoting grass-roots participation in rural development; and (c) strengthening Ghanaian institutions through training and consultancy services. The 1989 mid-term review again supported the original allocation of funds to these objectives, with an especially strong commitment to the objective of planning and economic management.

17. In certain cases, the mid-term reviews offered an opportunity to finetune programmes. The mid-term review for the fourth country programme for Egypt concluded that human resource development and transfer of technology should not be categorized as separate areas of concentration but as common features permeating all UNDP activities in Egypt. The 10 projects under these two areas were recategorized; at the time of the review the programme had 61 ongoing projects in industrial development, agriculture and water management, public administration management, and public service delivery.

B. The mid-term review and IPF commitments

18. During the discussions on document DP/1990/12, it was noted that by the time a mid-term review is held, most IPFs have already been committed. Therefore, i was not possible, even if desirable, to change the focus of the country programme during the mid-term review. Table 2 in the annex confirms this point by

illustrating the level of IPF commitments when the mid-term reviews were held. These commitments range from over 100 per cent for 12 countries to over 75 per cent for 41 countries, with an average of 88 per cent for all programmes. It should be remembered that to deliver 100 per cent of the IPF, a country must commit at least 70 per cent of its IPF by the end of the second year of the cycle. Therefore, in a well-planned programme, approximately 75 per cent of the IPF will have already been committed when an MTR is conducted. In the context of this kind of resource situation at the time of their mid-term reviews, Myanmar and Viet Nam adopted the course of action described below.

1. Myanmar

19. In 1989, the Government of Myanmar decided to abandon its centrally planned, economic management system in favour of a market-oriented economy. Despite an increase of about $24 million from a supplementary IPF allocation and least developed country (LDC) funds, the amount available for programming to meet new needs was only about 35 per cent of the amount required. Accordingly, the mid-term review noted that the dramatic changes in economic policy and management in Myanmar called for a thorough reassessment of technical assistance priorities. In this regard, eight sectoral missions were fielded. Their findings will constitute the new priorities on which the next country programme will be based. Until the reassessment process is completed, the ongoing programme will continue with essential adjustments to be agreed upon in consultations between the Government and UNDP.

2. Viet Nam

20. In Viet Nam, the Government's economic reforms of 1988 and 1989 were aimed at adjusting to a centrally planned economy, taking into account market forces. While the mid-term review found that the basic tenets of the country programme were valid, it was decided that the unprogrammed reserve available from all sources would be utilized to respond to the country's new needs, particularly those enabling it to utilize hard currency inflows.

C. The mid-term review as a first step towards the country programming exercise

21. While it is true that resources may not always be readily available to finance all of the redirections that may be proposed during a mid-term review, it is certainly the time to initiate the policy dialogue that can determine the course and content of the next country programme. Thus, the mid-term review is increasingly being recognized as an essential first step in programming for the next cycle. This was evident in a number of mid-term reviews such as those for the country programmes of Egypt, Ghana, the Philippines, Myanmar, Viet Nam, Zimbabwe and Fiji. Furthermore, the mid-term review of the third country programme for India (DP/1989/73/Add.4) was preceded by comprehensive evaluations and sector reviews that provided the basis for the fourth country programme, which is being

submitted to the Council at this current session. The Indian experience illustrates the desirability of holding a mid-term review soon after the midpoint of the ongoing programme cycle to ensure that its findings can be used for the following cycle.

22. The case of Zimbabwe is also typical in this context. One year prior to the mid-term review, the Government and UNDP decided to reorient the UNDP programme, which was too diffuse and in which small projects proliferated. Consequently, four areas of concentration emerged: planning and management; agriculture; transport and communication; and selected global thematic issues. The relevance of these programming arrangements were endorsed at the mid-term review and will, as was the case for Ghana, constitute the main objectives of the fifth cycle programming exercise. Similarly, the mid-term review for the fourth country programme for Eygpt not only endorsed future areas of concentration for the fifth cycle programming process but also: (a) indicated the main national development objectives for the formulation of the fifth country programme; (b) agreed on the nature of the detailed information required for each technical co-operation programme; and (c) agreed on specific criteria to be applied for the selection of major technical co-operation packages to be covered by the fifth country programme in each area of concentration.

D. The use of the mid-term review as a programming tool for non-UNDP technical co-operation

23. This issue was addressed in document DP/1990/12 and was discussed during the special session of the Governing Council in February 1990. The question of how best to co-ordinate technical co-operation in any given country has been a long-standing issue. Nothing new emerged from the reviews of the current mid-term reviews, and the Administrator will reiterate his previous request that Resident Representatives encourage donors from outside the United Nations system to participate in the UNDP mid-term review exercise. It should be noted here that both Myanmar and Viet Nam included bilateral donors in the reviews.

E. Programming as a continuous process

24. The emphasis on the actual mid-term review itself should not obscure the fact that programming, review, and monitoring are all continuous processes at the country level. Numerous related activities are in process throughout the cycle. These include annual tripartite reviews for all medium- and large-scale projects and major in-depth evaluations held once in the lifetime of each large-scale project. There are also round-table and national technical co-operation assessment and programmes (NATCAPs) exercises, surveys related to the Management Development Programme (MDP), and similar exercises. It would be most advantageous if, in the 12-month period or so immediately preceding a mid-term review, these other surveys and reviews could be timed and organized in such a way to serve as resource material to the review itself.

25. The continuous programming process is illustrated in the mid-term review for the Philippines. Since the approval of its fourth country programme in June 1986, major changes in the country's leadership have resulted in policy shifts and a new generation of projects progressively reflected the changes in the Government's priorities. The mid-term review, in effect, formalized and recorded a process of continuous programming and decided to refocus the sectoral aspects of the country programme using a three-tiered approach: poverty alleviation, sustainable development and growth.

F. The mid-term review in countries with small IPFs

26. Mid-term reviews are held in all countries regardless of the size of their IPFs. However, mid-term reviews for countries with small IPFs differed not only because of their size but also because of their special features. For example, the smaller island countries of the Caribbean for which mid-term reviews were held, i.e., Anguilla, Aruba, Bahamas, British Virgin Islands, Grenada, Montserrat, the Netherlands Antilles and Saint Kitts and Nevis were careful to focus on programme-level issues since this was obviously the best way to make use of limited UNDP resources. The multi-island programme for the Eastern Caribbean Islands focused on two areas of concentration: (a) agricultural diversification and rural development; and (b) public sector management and human resources development. This also enabled participating countries to address common interests such as tourism in the context of a subregional perspective.

G. The quality of the mid-term reviews

27. This aspect of the mid-term reviews is addressed in the report of the Administrator on evaluation of the mid-term country programme review process (DP/1990/38/Add.1) and was also the subject of discussions at the special session of the Governing Council in February 1990. It is clear from a large number of mid-term review reports such as those for Myanmar, Zimbabwe, Egypt, Ghana, India, and Bangladesh that mid-term reviews entail extensive prior preparation. This includes sectoral reviews by specialized agencies, the use of national or international consultants, and evaluations on specific areas of development such as capacity-building, planning, and decentralization.

H. Implications for field offices and at headquarters

28. Mid-term review preparations impose an additional work-load on field offices. However, the advantages of a well-managed mid-term review have been fully appreciated and, indeed, the benefits have been commensurate with the efforts made.

29. In UNDP headquarters, the mid-term review report and the original country programme document have become the basic management texts for the operational staff in the Regional Bureaux. Most mid-term reviews are regularly attended by staff from the regional bureaux and the background material collected and brought to headquarters far exceeds, in volume and in operational detail, the simple text of

the mid-term review report itself. Regional Directors attest to the fact that there are considerable exchanges between the Bureaux and the field prior and subsequent to the actual convening of a mid-term review.

III. RECOMMENDATIONS

30. Based on the reviews completed by the end of 1989, the following recommendations are made:

(a) Revised guidelines be issued for the conduct of mid-term reviews which will (i) more clearly define the purpose of the mid-term review, including the monitoring of programme results and the planning of future programme activities; (ii) eliminate any inconsistencies identified in earlier guidelines; and (iii) emphasize their use and importance as a basis for the next country programme exercise;

(b) Resident Representatives be requested to ensure that, in the best way possible, all internal reviews and surveys as desribed in para. 24 above are scheduled so that they can serve as resource material for the mid-term review;

(c) Consideration be given in the case of intercountry, regional, interregional and global programmes to using the mid-term review in a more formal way as the first step in the programming exercise. In regional programmes especially, the advantages of an intergovernmental regional meeting merits attention;

(d) Since some 45 mid-term reviews are scheduled for January-June 1990, the Council might wish to consider whether further reporting is required under the terms of its decision 89/11 of 23 February 1989.

Annex

SUMMARY FINANCIAL DATA ON COMMITMENTS AGAINST IPFs

Table 1. Summary of IPF commitments at mid-term reviews a/

Percentage of commitment at mid-term review	RBA		RBASE		RBAP		RBLAC		Global and inter-regional	
	No.	%	No.	%	No.	%	No.	%	No.	%
75 per cent and above	14	100	7	78	4	80	12	71	0	0
Between 50 per cent-74.9 per cent	0	0	1	11	1	20	5	29	1	1
Below 50 per cent	0	0	1	11	0	0	0	0	0	0
Total	14	100	9	100	5	100	17	100	1	1

a/ The high level of commitment by the time mid-term reviews were conducted left little scope for redirecting the unprogrammed resources based on the recommendations of the mid-term reviews. Eighty per cent of the programmes reviewed during the period 1 July to 31 December 1989 had committed over 75 per cent of their IPFs, 18 per cent had committed between 50 and 74 per cent, and 2 per cent had committed below 50 per cent.

Table 2. IPF commitments at mid-term review by region

	Date of mid-term review 1	IPF a/ (millions of United States dollars) 2	Budgets approved at mid-term review b/ 3	3 as a percentage of 2
I. REGIONAL BUREAU FOR AFRICA				
Botswana	9/89	6.1	10.1	166
Cape Verde	11/89	6.6	7.8	118
Côte d'Ivoire	12/89	17.5	15.2	87
Ghana	10/89	34.7	32.2	93
Guinea	11/89	31.9	36.0	113
Guinea-Bissau	11/89	18.5	18.1	98
Regional Programme	12/89	218.5	242.5	111
Lesotho	7/89	13.9	12.3	88
Niger	11/89	36.5	30.8	84
Sao Tome and Principe	11/89	3.2	2.7	84
Swaziland	11/89	4.8	3.8	79
Togo	12/89	23.9	21.6	90
Zaire	12/89	55.9	45.3	81
Zimbabwe	11/89	18.1	17.7	98
II. REGIONAL BUREAU FOR ARAB STATES AND EUROPE				
Albania	10/89	6.4	8.6	134
Egypt	10/89	38.0	34.4	90
Iraq	12/89	8.7	11.3	130
Oman	10/89	1.8	1.2	67
Qatar	12/89	.7	.3	43
Somalia	11/89	34.0	29.7	87
Tunisia	8/89	8.7	9.0	103
Turkey	10/89	13.8	15.4	112
Yugoslavia	11/89	4.4	5.6	127
III. REGIONAL BUREAU FOR ASIA AND THE PACIFIC				
Fiji	7/89	2.9	2.4	83
Myanmar	11/89	80.2	51.6	65
Philippines	9/89	28.8	28.8	100
Vanuatu	11/89	1.8	1.5	83
Viet Nam	11/89	80.4	85.8	107

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	Date of mid-term review 1	IPF a/ (millions of United States dollars) 2	Budgets approved at mid-term review b/ 3	3 as a percentage of 2
IV. REGIONAL BUREAU FOR LATIN AMERICA AND THE CARIBBEAN				
Anguilla	11/89	1.00	.71	71
Aruba	11/89	.38	.31	82
Bahamas	11/89	1.40	.91	65
British Virgin Islands	10/89	.25	.27	108
Caribbean multi-island	7/89	2.80	1.70	61
Colombia	11/89	12.80	12.70	99
Cuba	8/89	12.00	9.90	83
Dominican Republic	8/89	8.00	6.70	84
Grenada	8/89	1.30	1.10	85
Haiti	12/89	33.50	23.80	71
Regional Programme	12/89	55.00	47.90	87
Montserrat	7/89	.60	.55	92
Netherlands Antilles	11/89	.63	1.70	270
Nicaragua	11/89	9.80	7.20	73
Paraguay	7/89	5.70	4.40	77
Saint Vincent and the Grenadines	8/89	1.90	1.87	98
Uruguay	12/89	6.00	4.90	82
V. GLOBAL AND INTERREGIONAL	11/89	157.20	95.60	63

a/ Reflects only IPFs plus supplements established in accordance with the Administrator's report on the mid-term resource situation (DP/1989/26). Does not include carry-overs from the third cycle.

b/ Source: Monthly approval reports. (N.B. Some approved budgets include non-IPF sources of financing).

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SUPPORT

PROGRAMME PLANNING

Evaluation of the mid-term review process

Note by the Administrator

SUMMARY

This note contains the response of the Administrator to the evaluation reports requested by the Governing Council in its decision 88/17 of 1 July 1988, which invited the Administrator to undertake, through the Central Evaluation Office, an evaluation of the country programme mid-term review process. The note summarizes the principal findings and recommendations of the evaluation. The full evaluation report is being distributed for information.

The Administrator agrees that the findings of the evaluation are useful for moving from a learning experience, which has characterized the first two years of the process, to a more systematic, thorough programme approach to the country programming process.

I. BACKGROUND AND METHODOLOGY

1. The concept of a mid-term review has existed as part of the country programming process since 1971, and reviews have been carried out since then in many countries. The intensity and frequency of the review process has varied with the size of the programme and the circumstances of the country concerned.

2. The mid-term review process received increased attention as part of the Council's deliberations in 1985 on programme and project quality. Concern was expressed that projects scheduled to be implemented towards the end of a country programme had been identified five to seven years earlier and there was a possibility that they would no longer be relevant when the time came to implement them. Concerns were also expressed about the degree of flexibility and precision of programmes, uncertainties in the resource situation and a lack of continuity in the policy dialogue. This led to more formal instructions being established on the content and timing of mid-term reviews, which were provided to field offices following Governing Council decision 88/17 of 1 July 1988.

3. The terms of reference of the evaluation were designed to address the concerns expressed by the Governing Council as well as issues that had emerged from the internal monitoring of the process carried out by UNDP. A two-person team analysed the 28 mid-term review reports that had been received by the time of the evaluation, i.e., September-November 1989. The evaluators then visited six countries that had already completed mid-term reviews and where opportunities existed to observe follow-up activities in relation to the review. The views of all field offices and agencies were sought and visits were made to the headquarters of five executing agencies. The evaluators prepared preliminary observations on the mid-term review in each country that they visited and discussed them with each field office prior to the mission's departure from the country concerned. These observations were also discussed with operational units at UNDP headquarters on the mission's return and prior to the preparation of their report. Finally, the report benefited from extensive consultations with the regional bureaux.

II. INITIAL FINDINGS

4. The evaluation of this first set of mid-term reviews identified some initial findings and recommendations that are available to guide the conduct of the remaining mid-term reviews to be carried out during the rest of the fourth programming cycle. It concluded that:

(a) Mid-term reviews had improved the quality of programmes but that much of the improvement had been at the level of programme management. The review process now needed to focus on enhancing programme effectiveness;

(b) The mid-term review process offered considerable scope for improving the enduring impact of the work of UNDP, in particular when the review process was seen as one of several tools for assuring programme quality, the others being the country programme assessments and the appraisal of new country programmes;

(c) Specific advantages gained by some countries from the mid-term review process included sharpened relevance of the country programme; timely adjustment of its thrust; a strengthening of its focus in the pursuit of key objectives; the promise of enhanced project impact; better potential for programme delivery; intensified staff development; preparatory steps towards the development of the next country programme. Where these advantages had been secured, the exercise had been cost-effective;

(d) The additional work which mid-term reviews had imposed was significant but still quite small in comparison to the benefits gained in the field. A significant additional burden had also fallen on limited headquarters resources needed to backstop the process;

(e) The mid-term review process had not yet functioned adequately as a means of planning programme changes, partly because it normally came at a time when three quarters of the programme had already been committed;

(f) Overview papers prepared by UNDP headquarters for the Governing Council would benefit from being more substantive and comprehensive, pointing to the generic lessons of the mid-term plan exercises. To be done properly, this task would require the deployment of some additional qualified manpower within UNDP headquarters;

(g) The guidelines for mid-term reviews contained in document DP/1988/19/Add.3 contained inconsistencies and needed to be redrawn. Equally, headquarters instructions for the preparation of mid-term reviews needed to be further clarified and UNDP quality control of the process to be made more demanding.

5. The evaluators urged that the constituent parts of a good medium-term review be clearly spelled out and suggested that the following 10 essential elements be covered in the review:

(a) The process of preparing country programmes and mid-term reviews should fully involve the Governments concerned. In cases where Government participation has been most significant, the results of the mid-term review exercise have been perceived to be more meaningful;

(b) Mid-term reviews should be a managed process, responsive to the requirements of the Governments, requiring orderly preparation, systematic follow-up and timely distribution of the results;

(c) Mid-term reviews should be timely, substantive and balanced. They must deal with operational issues, but also with broader national programme considerations. Where appropriate, the review of the country programme should be linked to larger exercises such as round-table meetings, Consultative Groups, and national technical co-operation assessments and programmes (NaTCAPs);

(d) Mid-term reviews should be selective in their coverage of priority issues. These priority areas should be identified beforehand, perhaps in a mid-term review issues paper prepared jointly by the recipient Government and the field office;

(e) Mid-term reviews should involve a solid analysis of the country's development situation. It is the evolution of the latter which determines the appropriateness, or the continued relevance, of the country programme. This requires that field offices should have the capacity to analyse and interpret development issues;

(f) The participation of the specialized agencies and of other donors can increase the impact of the mid-term review on the overall supply and utilization of technical co-operation;

(g) Mid-term review meetings should include discussion of sectoral and thematic issues and their relevance to the country programme, sectoral ministries and specialized agencies concerned with these issues should participate in the meetings;

(h) Mid-term review reports should concentrate on programme relevance, evaluate likely programme impact, discuss relevant global concerns such as women in development or sustainable development, ascertain whether the programme concerned continued to be on track and discuss execution modalities. They should be modest and candid. They should present both positive and negative lessons of experience to facilitate learning and to ensure cross-fertilization. They should signal the scope for application of mid-term review results to the programming of resources under the fourth programming cycle;

(i) Mid-term review reports should be explicit and precise concerning changes in country programme themes, objectives, project lists, and lists of projects added and deleted. Any projects added via the review should be linked explicitly to relevant national programme objectives and themes;

(j) Mid-term review reports should be produced in a timely fashion and be widely disseminated both within the Government and within the donor community. They should be accompanied by a substantive mid-term review summary. The subsequent overview paper prepared at UNDP headquarters should contain recommendations concerning those issues requiring the attention of senior management and the Council.

6. The evaluation also suggested that technical co-operation was a development modality with a leverage that far exceeded the amount of resources devoted to it and was evolving as the needs of developing countries diversified and evolved. Part of the evolution required on the part of UNDP involved a shift from an organization with a project culture to one which was equally proficient at handling programme issues. This in turn required that UNDP be able to analyse and learn the lessons of experience of the programme and feed them back into operations. The mid-term review has been and continues to be an appropriate device to achieve these ends.

7. A corollary of the transition mentioned above was that some movement was needed away from purely delivery issues - which are also necessary - to a greater emphasis on the quality of the contribution made to the development issues addressed by the Programme.

III. CONCLUSIONS AND FOLLOW-UP

8. The evaluation identified a number of areas for possible follow-up by UNDP management. These include, with respect to the mid-term review process:

(a) Review of plans for completion of the outstanding mid-term reviews;

(b) Strengthening the secretariat of the Programme Review Committee;

(c) Guidance to the field, based on the lessons of experience concerning: management of the mid-term review process; preparation of an issues paper prior to launching a mid-term review exercise and an analytical summary following the exercise; involvement of specialized agencies and donors; clarification of the existing guidelines for mid-term reviews; dissemination of the results of the review within government and the donor community.

9. The evaluation has also suggested some measures which could lead to better preparation of country programmes:

(a) Preparation by the Government, with UNDP assistance where needed, of a technical co-operation needs assessment, as a prelude to each country programme;

(b) Greater rigour in the analysis of the supply and utilization of technical co-operation resources;

(c) Modification of current arrangements for mobilizing the inputs from the specialized agencies of the United Nations system to take due account of the enhanced role of government in programme formulation and implementation.

10. The Administrator welcomes the rigorous but constructive comments and suggestions contained in the evaluation. The preliminary nature of many of the findings about a new process such as the mid-term review should be noted. Equally, the remarks in the report concerning the weaknesses in many country programmes need to be viewed in the context of a clear improvement that has been associated with technical assistance programming based on technical assistance needs assessment exercises such as the NaTCAPs, a point that the evaluation itself recognizes in its suggestions for improved country programming.

11. The Administrator concurs with the observation that the guidelines for mid-term reviews need to be improved and is developing revised ones.

12. UNDP welcomes the attempt to define the essential elements that all mid-term reviews should contain as well as the specific suggestions put forward in the evaluation. Regarding the other mid-term reviews remaining to be carried during the balance of the cycle, the Administrator has requested very careful planning and management of these exercises by field offices in close consultation with Governments and, if requested by the Government concerned, with agency partners.

13. The suggestion for strengthening the secretariat of the Programme Review Committee will have to be viewed in the context of the decentralization of activities and the redeployment of staff and functions that have been separately recommended to the Council.

14. Regarding guidance to the field, a brief summary of this evaluation as well as the report itself has already been circulated to the field offices.

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PROGRAMME PLANNING

COUNTRY, INTER-COUNTRY AND GLOBAL PROGRAMMES

Reports on mid-term reviews of country, inter-country and global programmes

Mid-term review of the fifth country programme for Myanmar

Report of the Administrator

CONTENTS

		Paragraphs	Page
INTRODUCTION		1 - 2	2
I.	FINANCIAL DATA	3 - 7	3
II.	PROGRAMME AND PROJECT DATA	8 - 24	3
III.	PROGRAMME ANALYSIS	25 - 55	6
IV.	EVALUATION REQUIREMENTS	56	13
V.	RECOMMENDATIONS	57 - 58	14

Annexes

I.	Financial summary	15
II.	Comparison of planned projects listed in the country programme with actual project approvals	17

INTRODUCTION

1. In accordance with standing instructions and in compliance with decisions of the Governing Council, a mid-term review of the fifth country programme for Myanmar was undertaken on 15-16 November 1989. The participants in the meeting included representatives of ministries, departments and other agencies of the Government, officials of the United Nations Development Programme (UNDP), agencies of the United Nations system (the Food and Agriculture Organization of the United Nations (FAO), the International Labour Organisation (ILO), the International Telecommunication Union (ITU), the United Nations Children's Fund (UNICEF), the United Nations Fund for Drug Abuse Control (UNFDAC), the United Nations Population Fund (UNFPA), the Department of Technical Co-operation for Development (DTCD), the World Health Organization (WHO) and the World Bank) and bilateral donor representatives (Australia, Federal Republic of Germany, Japan, United Kingdom and United States). The meeting was inaugurated by the Acting Deputy Minister of the Ministry of Planning and Finance and chaired by the Director-General of the Foreign Economic Relations Department.

2. The review considered four important factors which had significant bearing on the implementation of the country programme in the past and will be relevant in the future. They were:

(a) The Government's declaration of intention to move away from a centrally planned economic management system towards a decentralized, market-oriented economy, with an important place being assigned to the private sector;

(b) The disruption of momentum in programme implementation as a result of the political and civil unrest which occurred in the second half of 1988 and continued into the first months of 1989. The programme was suspended for a period of about six months from September 1988 to February 1989, following the evacuation of the project personnel of the United Nations system in September 1988. This constituted a major setback and the rate of programme delivery was consequently affected in both 1988 and 1989;

(c) The extensive exercise undertaken with the help of United Nations system agencies to identify the new technical co-operation needs to meet immediate priorities as well as subsequently to facilitate the transition from a centrally planned to a market-oriented economy. Seven sectoral reviews and one mission by the UNDP Management Development Programme (MDP) undertaken in this context identified more than 150 projects;

(d) The designation of Myanmar as a least developed country (LDC) in December 1987 meant additional indicative planning figure (IPF) resources for the country programme and access to other special measures. An important additional resource input is from the United Nations Capital Development Fund (UNCDF) with important linkages to the implementation of the country programme.

I. FINANCIAL DATA

3. At the time the fifth country programme was conceived, the level of resources foreseen amounted to $65.5 million, of which $59.3 million was fourth cycle IPF. Subsequently, the resource position improved further, as shown in table 1 of annex I. The actual IPF resources currently available amount to $89.3 million.

4. During the period January 1987-October 1989, 25 new IPF projects were approved, 19 of which were noted as pipeline projects in the country programme document. Funds committed to these 25 new projects amounted to $27.6 million. As reflected in table 2 of annex I, the uncommitted IPF balance amounts to $38.2 million.

5. The expenditures against approved projects during the period under review amount to $28.9 million and the unexpended balance of funds committed to projects is $60.4 million, as can be seen from tables 3 and 4 of annex I.

6. The expenditures from the central Project Development Facility (PDF) during the period under review was $66,000. As a result of the MDP initial assessment mission, fielded in September 1989, a total of $1.3 million is expected to be available for six projects agreed with the Government for funding under the central MDP facility.

7. It will be noted that the rates of programme delivery for 1987 and 1988 have been somewhat low, about 60 per cent and 53 per cent of peak budget amounts for 1987 and 1988 respectively. For 1989, the delivery is estimated at $7 million or 40 per cent of the total commitment of $17.3 million. For the first three years of the fifth country programme, the delivery rate is expected to average 32 per cent of the total available IPF resources.

II. PROGRAMME AND PROJECT DATA

The country programme as planned and implemented

8. It will be apparent from the project data set out in annex II that no significant deviation has occurred from the original emphases of the country programme so far. The mid-term review, however, identified 67 additional projects to be taken up within this country programme. The nature of these pipeline projects is described in later sections. Twenty-five new projects were approved during the period under review, 19 of which were included as pipeline projects in the country programme document. List B of annex II shows the projects approved which were not originally in the country programme.

Progress in programme implementation

9. The civil disturbances of 1988-1989 adversely affected the implementation of the programme and disrupted certain project activities. A few projects suffered loss of equipment and in one project - Biological Control of Agricultural Pests (MYA/85/006) - the museum of insects collected over the past seven years was

destroyed. These untoward incidents however, were few. The activities and results of projects in the last three years of programme implementation might be examined briefly in relation to the four areas of sectoral concentration of the country programme.

Modernization of the agriculture sector

10. Substantial achievements can be noted in the cluster of projects in this sector. In the project Industrial Crops Development (MYA/85/005) extensive work has been undertaken on cotton improvement and jute fibre technology. The training component has been executed satisfactorily. In the project Foodcrops Development (MYA/81/006), satisfactory progress has been made and it has helped in the collection of 1,380 germ plasms in 12 crop species particularly with the support of international agricultural research institutes. More than 1,000 demonstrations have been carried out. In the Plantation Crops Development project (MYA/81/008), high-yielding rubber clones for commercial planting and many new varieties of cocoa, edible oil seeds and cashew have been introduced. New planting techniques have been stimulated and personnel of the rubber testing laboratory have been trained.

11. In the irrigation subsector, the Ye-U Design and Model Studies project (MYA/86/020) has brought out the final report on model studies and the subcontractor is now at work on other components.

12. The Seed Multiplication project (MYA/84/005) has given mixed experience, with some aspects of the project being implemented successfully while others have experienced considerable delay. Twelve new seed-processing plants have been established and the mechanization programme has been implemented satisfactorily. The purchase of equipment has been delayed and the overseas training component has implemented only around 25 per cent of 426 man-months of training.

13. Agricultural Census (MYA/85/004) is an important project which has implications for agricultural sector planning. The project activities have started with the fielding of consultants and sending of trainees abroad.

14. In the forestry subsector, the project Forest Management and Inventory II (MYA/85/003) has progressed satisfactorily. Aerial photography has been carried out as planned. Forest type mapping has been satisfactory. A forest inventory with information adequate for pre-investment appraisal for 12 million acres has been developed and is available on call. The pilot project Watershed Management - Kinda Dam (MYA/81/003) has been implemented though its activities have been delayed. Land-classification maps and the general socio-economic survey has been completed.

Development of agro-industries

15. In this sector, the project Rubber Technology Centre (MYA/88/002) is being actively implemented. The construction of the buildings and the design of the laboratories have been completed. The delivery of equipment is under way. With regard to the project Pilot Plant for Pesticide Formulation (MYA/80/011), civil

construction has been almost completed and equipment delivered. The project Leather Technology Centre (MYA/86/001) is being cancelled and the project on Grain Storage Processing (MYA/86/008) has been revised extensively to take note of the new private sector role in grain storage and processing.

Physical infrastructure

16. Infrastructure is expected to be one of the main constraints in the rapid economic development of Myanmar. The project Road Research and Development (MYA/81/021) which aims to provide training and expertise in modern cost-effective methods of road construction and maintenance is of crucial importance in this connection. The project has laid a solid foundation for research and development of the road system in the country. The project outputs include a fully-equipped materials testing laboratory, a plant for the production of bitumen emulsions, standard designs and specifications in road construction as well as a cadre of trained personnel.

17. Through the project Strengthening Civil Aviation (MYA/86/003), Myanmar has obtained modern aviation and communication equipment for an area control centre. A flight calibration unit has been established and remote control air-ground communication equipment has been installed.

18. The project Posts and Telecommunications Co-operation (PTC) (MYA/81/016) has facilitated the training of technicians in the use of modern equipment.

Development of social infrastructure

19. The project Manpower Development in the Institutes of Medicine and Dental Medicine (MYA/84/002) has been implemented satisfactorily with 10 fellows pursuing their Ph.D. studies in universities in the United Kingdom, the United States of America and Australia. The project Strengthening of Nursing Services (MYA/81/026) has led to the preparation and distribution of standard manuals for nursing care and procedures. In the project for the Reinforcement of the Instrumentation Division of the Department of Medical Research (MYA/85/009) the supply of equipment has been satisfactorily undertaken and equipment management systems have been developed.

20. The project on Traditional Medicine Evaluation (MYA/81/028) has undertaken the evaluation of traditional drugs on a scientific basis and developed the capability of the country to conduct research on traditional drugs. Documents characterizing the physico-chemical nature of approved traditional drugs and herbal medicines currently in use by traditional medicine practitioners have been produced. A formulary of traditional drugs has been prepared setting out dosages expressed in standard weights and measures.

Development of energy resources

21. In 1988, the Government decided to include the development of the energy sector as an additional primary objective of the country programme. While Myanmar has successfully exploited its petroleum resources on its own over the past many

years, it is now faced with the task of modernizing technology to cope with the demand for increased productivity and cost-efficiency.

22. The review agreed that a major umbrella project for the energy sector should be developed to permit critical interventions in a flexible manner. With the changes in policy in the energy sector, including the activities of foreign investors, it is evident that technical assistance needs will emerge.

23. The project Energy Sector Investment and Policy Review (MYA/89/009) is to be undertaken to develop policies, programmes, and plans for investment in the energy sector and to strengthen management systems in energy sector enterprises. The project Energy Sector Manpower Planning and Training Needs Assessment (MYA/89/008) is earmarked especially to address the training requirements of the Energy Planning Department, and the four enterprises under the Ministry of Energy.

Economic policy and economic management

24. The fifth country programme did not make any provision for projects in this particular sector. However, with the policy changes announced by the Government, several projects have been developed recently in support of the Government's efforts to restructure the economy. They include projects on economic policy formulation (MYA/89/005) and the development of the private sector (MYA/89/003), which are in the early stage of implementation. They are aimed at assisting the Government in moving from a centrally planned to a market-oriented economy and strengthening the capacity of the private sector to benefit from new economic opportunities.

III. PROGRAMME ANALYSIS

Relevance of the country programme

25. As noted in the financial and project data sections, the programme is on track. The projects themselves continue to be relevant to the needs of the country. It was decided to include in the review several new projects in the country programme which would provide immediate assistance in economic policy formulation and economic management and also facilitate greater involvement by the private sector.

26. While the country programme has not been extensively used as an instrument for identifying technical assistance projects by other donors, the sectoral reviews carried out prior to the mid-term review are expected to provide the material to assist in the negotiations for technical co-operation with other donors. The participation of other bilateral and multilateral donors in the review exercise and their close working relationship with the UNDP field office should facilitate the co-ordination of technical co-operation programmes.

Problems in implementation

27. As noted earlier, the programme has been seriously affected by the political and civil disturbances which occurred during the latter part of 1988. Apart from this setback, which was beyond the control of those concerned with the implementation of the programme, several other persistent constraints might be noted. In the country programme document four specific concerns were mentioned: deficiency in project design; the delay in processing project documents; the delay in approvals for overseas training; and the weak management of the equipment component of projects. These continued to be pervasive problems in the implementation of the fifth country programme.

28. There is considerable scope for improvements in the project formulation process on the basis of extensive consultations between government agencies, United Nations system agencies and UNDP. These consultations could address constraints expected during the implementation of a project, based on past experience, and could examine in detail the institutional absorptive capacities of the government agencies. The project design weaknesses have arisen primarily as a result of the inadequate recognition of the institutional and procedural complexities in Myanmar.

29. Substantial delays have been experienced in the processing of project documents. It was noted that such delays were largely caused by insufficient communications at the project formulation stage. A more intensive process of consultation in developing the project formulation framework might obviate them.

30. A consistent problem perceived in most projects has been the inability to send trainees overseas in time. Most projects have important training components and, given the shortages in manpower skills in those sectors in which projects are implemented, the training function is a very valuable input of technical co-operation programmes. The delays are at least partly a result of the complex processes involved in the selection and approval of trainees and a streamlining of procedures is vital to more effective programmes of technical co-operation.

31. Considerable delays have been experienced in the fielding of experts and consultants and once again the procedural aspects for their approval need further refinement.

32. The problem of project location has been raised in a few projects. The difficulties in transport and communication make it highly desirable that project staff be located near the places of project activities. The evaluation report of at least one project referred to project location being an important factor in project impact that was less than optimal.

33. These problems and shortcomings inevitably lead to the need to synchronize the implementation of the various components of a project. In many cases, this has either not been planned adequately or, when planned, has failed to materialize. The issue needs to be more closely monitored.

Changing needs in technical co-operation

34. The sectoral review missions fielded recently have made extensive studies of the needs for technical co-operation in the coming years. They have identified more than 150 projects estimated at a cost of nearly $200 million. The identification of technical co-operation needs was undertaken, specifically for these 150 projects, in preparation for the mid-term review. It is therefore relevant to note in brief the findings and recommendations of these sectoral missions.

Agriculture

35. The FAO mission expressed the view that two particular areas need special attention. The first is the strengthening of the Government's informational data base and an upgrading of its institutional capacity for applied agricultural research, project planning and evaluation, market research and policy formulation. Secondly, it is necessary to expand the agro-technical capabilities of the private sector to take advantage of newly emerging commercial and employment opportunities.

36. In the context of these broad considerations, technical co-operation needs fall into the following categories:

(a) Improving the evaluation of the use of resources through information gained from:

(i) surveys, inventories, data collection, etc.;

(ii) applied scientific research by commodity and/or agro-ecological and aquatic zones;

(iii) applied socio-economic research by zone and/or farming system;

(iv) subsector studies;

(b) Improving resource use planning and management by strengthening the institutional capacity of the Government through:

(i) interpretation and analysis of resource information;

(ii) land capability studies and land-use planning;

(iii) project planning, analysis, monitoring and evaluation;

(iv) organizational and procedural requirements;

(v) policy formulation capability;

(c) Improving resource use efficiency by supporting private sector initiatives through:

(i) extension and farm management;

(ii) post-harvest storage and processing;

(iii) commercialization of agricultural operations;

(iv) improved access of the private sector (firms and individuals) to Government-sponsored research facilities and results and to training programmes;

(v) marketing and export.

Industry

37. The United Nations Industrial Development Organization (UNIDO) mission recommended that the thrust of technical co-operation should be to support industrial policy changes. One of its important recommendations is the organization of a high-level industrial strategy seminar in Myanmar to outline the broad scope, options and potential modalities for the development of the manufacturing industry. The seminar is to serve as a first step in initiating a programme of regular industrial policy dialogues, economic analyses, in-depth subsector studies, information exchange and assistance in the field of industry.

38. Apart from the seminar, the following project concepts were identified by the mission:

(a) Assistance in the establishment of an investment promotion agency;

(b) Study on identification of regional development potentials;

(c) Organization of an Investment Promotion Forum;

(d) Assistance in the establishment of an export-processing zone;

(e) Assistance in quality control and standardization;

(f) Assistance in new forms of packaging for food exports;

(g) Umbrella industrial training project;

(h) Assistance to the metalworking industries;

(i) Establishment of a model industrial estate of industrial co-operatives;

(j) Central workshop for textile industry spare parts;

(k) Industrial rehabilitation studies for State economic enterprises.

Energy

39. Although the Myanmar energy resource base is varied and includes natural gas, petroleum, hydropower, biomass and coal, the country faces an energy shortage which threatens sustained economic recovery and growth. It has been caused by declining supplies of oil, inefficiency in electricity generation and shortages of natural gas. The growing shortages of commercial energy (gas, oil and power, etc.) have led to a decline in capacity utilization in many industries. The Government recognizes this situation and wishes to review its current investment programme and prepare a least-cost investment strategy and formulate energy-sector policies which would help alleviate the general energy supply situation. UNDP, through a major review project, will provide assistance to the Government in restructuring its priorities, in preparing a least-cost investment programme to implement appropriate policies in oil, gas and power sectors; fuel substitution options; energy efficiency strategies; and an action plan for conservation in public enterprises. The review will also produce an updated version of the UNDP/World Bank Energy Assessment Report published in late 1985.

40. Meanwhile, the Government has embarked on the policy of seeking international partners to explore onshore oil and has, so far, signed eight production-sharing agreements through joint venture schemes with major foreign oil companies. Similar arrangements are envisaged in offshore exploration as well. It is hoped that these long-term perspectives, together with medium-term solutions such as enhanced oil recovery and gas utilization studies which UNDP is financing through an ongoing project at Myanmar Oil and Gas Enterprise, will contribute, in no small measure, to Myanmar's efforts to revitalize the economy.

Export promotion

41. The sector review mission was fielded by the International Trade Centre (ITC). The Trade Information Service requires upgrading and its library needs to be strengthened to enable businessmen to have access to reliable and updated information. Comprehensive training of personnel in the public and private sectors is required to familiarize them with modern financial and commercial service systems (banking, insurance, business management) and on product-specific trade issues. In order to increase exports in the short and medium term, a feasible modality is to enable businessmen to observe international markets, negotiations and practices first hand. Such an approach should complement the UNDP project designed to expose businessmen to sound administrative commercial, financial and governmental practices of other countries. There is also a need for advice on issues concerning quality control, packaging, design, product adaptation in industries such as textiles and garments, jewellery and leather goods. Training in commercial work for Myanmar diplomatic mission staff is also an important requirement.

42. Foreign investment can act as a major supporting instrument to the export promotion effort and the ITC mission has recommended that technical co-operation clarify the Foreign Investment Law so that potential investors would be in no doubt about the conditions under which their investments are made. It has also been suggested that a study be made of the techniques by which neighbouring developing

countries have successfully attracted foreign investors, with a view to developing an investor information service suited to the conditions of Myanmar.

Transport

43. A review of the transport sector undertaken by DTCD has recommended a technical co-operation programme designed to improve the operations and maintenance of rail, road and inland waterway systems. Significant emphasis has been placed in developing mid-level management in all organizations in the transport sector. It has been recommended that much of the training should be carried out in overseas transport organizations where practical knowledge of methods and systems can be acquired.

44. The second type of training for which a widespread need was identified is the training of technicians in the use and maintenance of equipment and machinery: electrical control equipment; electronic testing and measuring equipment; welding and machining techniques and several other fields. It has been recommended that this kind of training is best conducted by sending trainers to gain knowledge and experience overseas and then making use of them to conduct local courses.

Health

45. The WHO review mission confirmed the view that while external support should continue to various health subsectors as before, selected newer priorities for health development in the next decade are needed. One area which deserves priority attention in technical assistance is the management of the health sector, including health policy analysis; health economics; and alternative methods of financing; decentralized health management; and health systems research to improve the use of scarce financial and manpower resources.

46. Another important requirement in the health sector is the continuing upgrading of the quality of technical staff in medical and paramedical sciences. Apart from the strengthening of core training institutions, an affordable system of continuing education for all medical and health practitioners is required. The training of nurses is another aspect which requires technical co-operation inputs. Myanmar has a traditional system of medicine which caters to the health needs of large numbers of the population. Much of the work already initiated in this field, such as the preservation of herbal species and research in clinical properties of essential drugs needs to be continued.

Education

47. The educational sector review undertaken by the United Nations Educational, Scientific and Cultural Organization (UNESCO) has identified a large number of technical co-operation project proposals with varying degrees of priorities assigned to each of them. Technical education and vocational training, English language training and the management and planning of education are considered areas of priority along with projects relating to basic education. The review mission suggested that a comprehensive sector analysis of the education system be undertaken, concentrating especially on the requirements for the rehabilitation of

the system and the implications of economic and political change. The education sector analysis is expected to lead to the identification of a structure of programmes and projects to which other donors can respond.

48. Education planning and budgeting requires improvement and the institutions concerned with this aspect of educational policy need strengthening. Curriculum development is an urgent area of attention, especially with the new orientation of the economy, and the sector review mission suggests that selected officials be sent on study tours to comparable countries that have recently undergone changes in curricula, textbooks and teaching materials.

Employment and manpower planning

49. The ILO review mission stated that there is a lack of awareness about the employment aspects of development and that there is a consequent need for employment research. It anticipates the development of alternatives to manpower planning suited to an economy with a large private sector. Employment exchanges need to be transformed from their passive role of registration into active agents for the labour market. The mission has attached high priority to management training and the development of small enterprises, especially in the private sector. Vocational training, occupational safety and health, social security and labour statistics are other areas in which technical co-operation needs were identified by the ILO mission.

Management development

50. The Management Development Programme fielded a mission to Myanmar to inquire into the rehabilitation and modernization of its public and private sectors. One of the major findings is that policy analysis for a market-oriented economy is limited. Hence, there is a need to develop policy skills with a strong analytical foundation to present political leaders with a clearly defined set of policy options. Another recommendation is the establishment of strong management information systems.

51. The mission identified in a preliminary way the training needs in various areas which are critical to the implementation of new economic policies. The need to strengthen management skills requires the strengthening of the present unco-ordinated and inadequately developed training infrastructure of institutions and personnel and the development of a training profession to serve both public and private sectors. The updating of the training curriculum, blending practice with theory, requires urgent attention. Apart from various technical co-operation needs, the mission recommended the establishment of a national business school to train middle and senior management in the private sector, utilizing overseas consultants, and to develop its own national staff.

Programme adjustments in response to political and economic changes

52. As noted in this report, the Government has announced a major shift in its economic policy taking the economy in a more market-oriented direction and with the private sector playing a larger role. The transition from a centrally planned to a market-oriented economy is a complex process which requires a high degree of

skilled economic and political management. Such a major transformation of the economy makes it imperative that the country programme assist the Government to respond to these new challenges. However, specific strategies have not yet been fully articulated to translate the broad policy decision into detailed action programmes. The review therefore decided that UNDP assistance in undertaking the transformation of the new economic policies and programmes should be dealt with in the next country programme, starting in 1992, while adding several projects to the current programme to meet the immediate needs in the field of economic planning and management.

53. The review took note of more than 150 technical co-operation projects recommended by the sectoral missions that visited Myanmar recently. Out of these, it agreed on a list of 67 top priority projects, including 7 projects which were listed in the original country programme pipeline, for immediate implementation. The approval of such a large number of projects is possible in view of the substantial resources available to the country programme (see annex I).

54. The new dimensions in the country programme resulting from the incorporation of the new project portfolio approved by the mid-term review has led to further involvement in the four sectoral thrusts originally envisaged (agricultural modernization; the improvement of the agro-industrial sector; the improvement of physical infrastructure; and the improvement of the social infrastructure). In the social infrastructure sector, the country programme focused particularly on the health sector. However, the incorporation of several important projects in the education subsector has now introduced a better balance. The inclusion of new projects in the industry sector should broaden the scope of the agro-industry sector.

55. The main addition made to the country programme is the introduction of a new area of concentration, economic policy and economic management. The new economic changes demand that assistance be provided to the Government to enable it to improve its skills in economic policy-making and management. The incorporation of the private sector into the mainstream of economic policy and performance also requires that assistance be provided both to the public and private sectors to develop a new synergy between them. These overriding considerations have led to the development of several new projects in economic planning, administration and trade.

IV. EVALUATION REQUIREMENTS

56. No major evaluation of the country programme is required at this stage. An assessment in 1990 to precede the preparations for the sixth country programme would be useful. However, two aspects of the programme might be analysed further, both to assess and evaluate the achievements so far and to identify future needs. First is an assessment of the effectiveness, efficiency and impact of training programmes in the context of the institutional constraints which have resulted in significant delays. Second is the identification of further technical co-operation requirements in the critical areas of economic policy and economic management.

V. RECOMMENDATIONS

57. The present sectoral thrusts of the country programme, which continue to be valid and need to be maintained, should be deepened and intensified through the addition of new activities. The agro-industry subsector needs to be expanded to cover the industrial sector as a whole while the social infrastructure sector requires more activities in the education subsector. The enlargement of the scope of the programme should come through a new sectoral thrust in the area of economic policy and management with additional projects designed to strengthen public and private sector institutional capacities.

58. Most of these changes can be accommodated within the framework of the current country programme. It is recommended that preliminary work be started meanwhile for the formulation of the sixth country programme, which should focus technical co-operation, inter alia, on assisting the Government to carry out its declared policy changes and reforms with a view to moving towards a market-oriented economy, thus relying increasingly on the private sector.

Annex I

FINANCIAL SUMMARY

Table 1. IPF and other resources available at the time of the mid-term review

		Thousands of US dollars
Statement of IPF position		
Carry-over from third cycle	9 059	
Fourth-cycle IPF (1987-1991)	59 339	
IPF increase from LDC status	11 354	
IPF supplement (75 per cent)	9 538	
Available IPF resources		89 281
Other resources		
MDP	1 300	
SMF/LDC	570	
PDF	066	
UNCDF	27 200	
Other programmed resources	1 033	
Japan 200		
UNFPA 183		
AsDB 650		
Subtotal		30 169
Total		119 450

Table 2. Uncommitted IPF balances (as of 31.10.89)

I.	AVAILABLE IPF RESOURCES		89 281
II.	UTILIZED AND COMMITTED		
	Actual 1987 expenditure	10 646	
	Actual 1988 expenditure	11 265	
	Commitments for 1989)	17 329	
	Commitments for 1990) (as of 31.10.89)	9 567	
	Commitments for 1991)	2 283	51 090
III.	UNCOMMITTED BALANCE		38 191 a/

a/ This figure takes into account the 75 per cent of the IPF supplement available to Myanmar up to the time of the mid-term review.

Thousands of US dollars

Table 3. Expenditures against approval project during period under review

1987	10 646
1988	11 265
1989 (estimated)	7 000
Total	28 911

Table 4. Unexpended balance of funds committed to projects (as of 31.12.89)

Total IPF resources	89 281
Total expenditures	28 911
Unexpended balance	60 370

Annex II

COMPARISON OF PLANNED PROJECTS LISTED IN THE COUNTRY PROGRAMME WITH ACTUAL PROJECT APPROVALS

A. Projects included in the fifth country programme document and their status as of 31 October 1989

	Projects approved (now ongoing)	Projects under approval process	Projects cancelled	Projects categorized as high priority at the MTR
1. MYA/86/018: Plantation Crops Development II				X
2. MYA/85/002: Ye-U Irrigation Support	X			
3. MYA/86/005: Water Resources Development		X		
4. MYA/88/006: Development Planning for Irrigation	X			
5. MYA/85/004: Agricultural Census	X			
6. MYA/81/003: Watershed Management - Kinda	X			
7. MYA/85/003: Forest Management and Inventory II	X			
8. MYA/85/008: Forest Industries Training				X
9. MYA/86/010: Pilot Fuelwood Production		X		
10. MYA/80/011: Pesticide Formulation II	X			
11. MYA/85/013: Fermentation Pilot Plant	X			

/...

	Projects approved (now ongoing)	Projects under approval process	Projects cancelled	Projects categorized as high priority at the MTR
12. MYA/85/014: Edible Oil	X			
13. MYA/86/002: Rubber Technology Centre	X			
14. MYA/86/008: Grain Storage Processing	X			
15. MYA/86/011: Plastic Extrusion				X
16. MYA/86/003: Strengthening Civil Aviation	X			
17. MYA/85/012: Telecommunication Test Centre	X			
18. MYA/85/001: Production of Biogas		X		
19. MYA/86/015: Strengthening the Ministry of Energy Planning Department	X			
20. MYA/84/010: Programme Support - II	X			
21. MYA/81/026: Strengthening Nursing Services	X			
22. MYA/81/029: Food and Drug Control Administration	X			
23. MYA/84/002: Institutes of Medicine/Dentistry	X			
24. MYA/85/009: Instrumentation Division, DMR	X			
25. MYA/85/010: Services for Disabled Children	X			
26. MYA/86/016: Manpower Planning	X			

	Projects approved (now ongoing)	Projects under approval process	Projects cancelled	Projects categorized as high priority at the MTR
27. MYA/86/017: Statistical Support to Central Planning	X			
28. MYA/86/019: National Monuments - II		X		
29. MYA/86/012: UNDP/IBRD Umbrella IV				X
30. MYA/86/014: UNDP/AsDB Umbrella III			X	

F. Approved projects which were not listed in the fifth country programme document

MYA/86/011: Leather Technology Centre (to be cancelled)

MYA/86/013: Petroleum Technical Assistance and Training

MYA/86/020: Ye-U Design and Model Studies

MYA/87/004: Bee-Keeping Development - Preparatory Assistance

MYA/87/010: Pilot Tests for Newsprint

MYA/89/003: Development of Private Sector

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PROGRAMME PLANNING

COUNTRY, INTERCOUNTRY AND GLOBAL PROGRAMMES

Reports on mid-term reviews of country, intercountry and global programmes

Mid-term review of the third country programme for Viet Nam

Report of the Administrator

REPORT ON THE MID-TERM REVIEW OF THE THIRD COUNTRY PROGRAMME FOR VIET NAM

INTRODUCTION

1. In accordance with standing instructions and in particular in compliance with Governing Council decision 88/17 of 1 July 1988 a mid-term review of the third country programme for Viet Nam was held during the week from 13 to 17 November 1989.

2. As over half of the overall technical co-operation provided to Viet Nam comes from United Nations agencies, of which the United Nations Development Programe (UNDP) is the lead agency providing multi-sectoral co-operation, agreement was reached among all parties concerned whereby the programmes of three other major agencies, the United Nations Children's Fund (UNICEF), the World Food Programme (WFP) and the United Nations Population Fund (UNFPA), were also reviewed during the same week as the UNDP programme. The important advantage of this approach was that it provided a better understanding of the concerns addressed through the programmes assisted by various United Nations agencies and, by observing their complementarity, to bring about improved co-ordination at the Government level. This also proved to be very convenient from the Government's point of view and saved considerable time and resources.

3. The review was conducted in three stages. First, the status of individual projects was discussed between the Government and its implementing agencies; second, the project issues identified during these discussions were reviewed between the Government and concerned United Nations agencies, based on the background papers prepared by respective agencies; and finally, a formal mid-term review meeting was organized, where the programme of each agency was discussed separately, followed by a round-up meeting to discuss and adopt the conclusions and recommendations. The final mid-term-review meeting was attended by high-level representatives of the Government, including the Prime Minister, its implementing agencies, United Nations agency field offices and representatives from the Food and Agriculture Organization of the United Nations (FAO), the United Nations Industrial Development Organization (UNIDO), the Department of Technical Co-operation for Development (DTCD), the International Civil Aviation Organization (ICAO) and the International Labour Organisation (ILO). Resident missions of major bilateral donors were also invited to attend the meeting as observers. UNDP headquarters participated in the mid-term review process by detailing a Principal Officer for about a month to help prepare the background paper in close consultation with the Government and the field offices of United Nations agencies.

4. The State Committee for Science and Technology was appointed to represent the Government at the reviews of the status of individual projects with the Government implementing agencies, the consultations with UNDP and other agencies, and to co-chair with UNDP the final mid-term review meeting. The Ministry of Foreign Affairs and the Office of the Council of Ministers were also actively involved in discussions of substantive issues and logistic arrangements for the mid-term review. The summary report that follows presents in brief the findings and decisions of the mid-term review.

I. FINANCIAL DATA

5. The third country programme for Viet Nam, covering the period 1987-1991, largely coincides with the Government's development plan for 1986-1990, as was the case for the first and second programmes. The indicative planning figure (IPF) allocation for the programme cycle was envisaged to be $70.733 million and the carry-over from the preceding cycle was estimated at $12.760 million. Thus, the total IPF resources available for the period were estimated at $83.490 million. No other substantial resources were foreseen at that point in time. The project proposals included in the programme added up to $77.96 million, of which ongoing projects would absorb $19.86 million and new projects $58.10 million; an unprogrammed reserve of $5.53 million was maintained to allow for changes in economic policies and circumstances.

6. At the start of the third country programme the actual IPF carry-over from the the second country programme was $23.737 million. The IPF allocation for the third country programme was subsequently supplemented by an additional amount of $9.625 million. The total IPF resources for the third country programme were therefore increased to $104.10 million, or $20.60 million more than originally foreseen. In addition, another $0.204 million from third- party cost-sharing and $1.358 million from Special Programme Resources (SPR) were made available. The

annex reflects the status of the financial resources of the third country programme at the mid-term review.

7. IPF expenditures for 1987 and 1988 were respectively $16.046 million and $20.241 million. The expenditure for 1989 was estimated at $22.802 million which would bring the total expenditures for the first three years of the third country programme to $59.089 million. The unexpended balance of IPF funds committed to projects totals $45.00 million for the remaining two years of the present programme cycle. The expenditure targets for 1990 and 1991 are respectively $25 million and $20.81 million, which will thus ensure a 100 per cent delivery of the third country programme IPF.

II. PROGRAMME AND PROJECT DATA

8. The final draft of the third country programme document was completed in December 1985 and approved by the Governing Council in June 1986. Since then a great number of policy changes have been adopted by the Government in an attempt to improve the economic situation of the country.

9. The Sixth Party Congress, held in December 1986 adopted a resolution to accelerate the economic reforms which had started as early as 1979. This process was further intensified in 1988 and 1989. To be highlighted among these reforms since 1988 were the abolition of practically all subsidies: the successive and rapid devaluation of the national currency (the dong), which raised the official exchange rate almost to the free market rate; the freezing of public sector salaries; the establishment of a tight monetary policy; the denial of automatic access of Government funds for state enterprises; the encouragement of foreign investment; and the promotion of the private sector. In short, the Government was bringing about radical changes in the country by adjusting a centrally controlled economy to take account of market forces. These policy changes have generally had positive effects on the national economy which include, inter alia, a notable reduction of the hyper-inflation of previous years and the stabilization of the dong against the dollar. These measures were expected to increase both capital and commercial hard currency inflows for investment. One of the negative effects, however, is resultant serious unemployment.

10. The third country programm has responded to these changes appropriately and with agility. Although the basic tenets and themes of the country programme continue to remain valid even in the changed context of economic reforms, the unprogrammed reserves have been utilized to help and reinforce the preparedness and ability of the country to utilize competently the opportunities offered by the inflows of hard currency. In this sense, the initiatives launched and those that continue to be undertaken have a forward catalytic thrust.

11. To be highlighted among the newly approved projects in this context were three sectoral review projects: the agricultural sector review; the forestry sector review; and the tourism master plan. Through the provision and marshalling of hard data and analysis, these reviews set the stage for rapid additional investment. Also to be mentioned are a project for a system of national accounts and one for

the use of the modality of transfer of knowledge through Expatriate Nationals (TOKTEN). Of the preparatory assistance projects, note should be taken of the Civil Aviation Master Plan and the Establishment of a Project Evaluation Unit. The hard pipeline projects included the Mekong Master Plan and the Transport Sector Review, while the soft pipeline projects included the Red River Delta Master Plan and the Sector Review of Trade Policies, Institutions and Export Promotion. More such initiatives were also being discussed and are since being developed.

12. Funds outside IPF resources were also mobilized to support initiatives in the context of the changing economic scene. Most notable among these were: a macro-economic study on the economy of Viet Nam, which presented updated, comprehensive and professional background papers to potential bilateral and multilateral partners and also served as a background document for a possible round-table meeting of donors to be organized when the overall climate is appropriate; and a project for strengthening economic management under the Management Development Programme.

13. A number of other projects which were funded from non-IPF resources and monitored by UNDP, with an estimated delivery of $8.1 million for the period 1987-1991, have also been added to the third country programme. Three of these were financed by trust funds from bilateral donors (Australia, Finland and Sweden) and the others by assistance programme of United Nations agencies.

14. Advantage of the mid-term review was also taken to review briefly the sectoral allocation of the IPF resources in the first, second and third country programmes. It was noted that the allocation for all sectors increased in absolute terms from the first country programme to the third. The increase was more marked for the industrial sector.

15. In response to evolving needs and priorities, changes also took place in the allocation of resources by sector in the third country programme between its approval and the mid-term review. The resources for general development issues, natural resources and transport and communication increased, while those for human settlements and science and technology decreased. The changes in the allocation of resources to the major sectors, agriculture and industry, as well as to other sectors were minor.

16. The attachments to the third country programme document indicated a list of 68 project proposals, which were in nature very broad ideas, with a total estimated outlay of $58 million, and another 66 approved projects carried over from the previous cycle. At the time of the mid-term review, 40 of these projects had been approved for a total budget of $40.326 million and preparatory assistance approved for another 10 projects with a total commitment of $0.815 million and a total estimated budget of $8.145 million. Two project proposals were kept in the hard pipeline with a total outlay of $2.083 million, one proposal in the soft pipeline with an outlay of $2.193 million, while the remaining 15 have been deleted and replaced by new project proposals.

17. The mid-term review showed that 83 new project proposals had been initiated for inclusion in the third country programme. The status of these was as follows:

22 projects had been approved with a total budget of $15.312 million and preparatory assistance had been approved for another 19 projects with a total commitment of $1.132 million and a total estimated budget of $12.681 million. Eighteen project proposals were in the hard pipeline with a total outlay of $16.021 million; the remaining 24 project proposals were in the soft pipeline with a total outlay of $15.762 million.

18. It can be observed from paragraphs 16 and 17 above, that at its start the third country programme had 134 projects. By the time of the mid-term review, this number had increased to 202 projects (157 approved and forty-five pipeline) with a total approved budget of $104.245 million for 1987-1991, and a total estimated budget of $160.644 million, excluding the amount spent before 1987 on projects carried out from the second country programme. The total commitment of funds for the period 1987-1991 was $104.29 million, with anticipated commitments i.e., hard pipeline, of $15.36 million, making a total of $119.65 million. There were no uncommitted funds in the third country programme, in fact, if other project proposals in the soft pipeline and possible upward revisions for current projects are taken into account, including regular project budgets following the preparatory assistance stage, there would be over-programming, which would result in more than full delivery of resources. Many of the 66 projects carried over from the second country programme had been completed or were likely to be completed before the end of the present cycle. However, about 6 of them may be carried over to the next cycle.

III. PROGRAMME ANALYSIS

A. Country programme implementation

19. The emphasis of the third country programme is on institution-building with the aim of making the country increasingly self-reliant in designing and executing more and more complex development tasks; applying science and technology to all sectors of the national economy; and developing human resources. The third country programme focuses on five major areas: increasing food production; meeting other basic needs such as clothing, medicine, housing and urban-waste disposal services; assessing and exploring natural resources; improving the efficiency of industrial and other investments; and developing foreign trade. These were in line with the national development strategy outlined in the country's development plans for 1986-1990. The major areas for national endeavour subsequently determined by the Sixth Party Congress in December 1986 concentrated attention on food production, consumer goods and exports, which reinforced the focus of the third country programme. In this context and taking into consideration the restricted access of the country to hard currency resources, third country programme resources were prioritized for use on the improved utilization of existing investments and the transfer of technology to prepare the way for future investments.

20. The third country programme has, in general, followed its planned focus. As already noted, it has also responded appropriately and flexibly to new economic development policies ushered since 1988. There have been no deviations from the country programme, as originally planned, the goals and targets of which have remained valid and relevant. Rather, there had been additions to it in terms of a

stronger emphasis on macro-economic policy analysis and on the promotion of investment, as highlighted in paragraphs 10-12.

21. The need to use scarce resources for priority areas has also meant that a large number of projects address different needs although they do conform to the themes of the country programme. Thus, at the time of the mid-term review, there were 157 projects on the books and 45 more were under different stages of consideration. It was confirmed that all the projects, both approved and under consideration, were in accordance with the Government's goals and the objectives of the third country programme. The situation relating to allocation by those objectives of the third country programme is summarized below.

Objectives	Planned in the third country programme (%)	Present status (%)
Increase food production	24	30
Meet other basic needs	13	10
Assess and explore natural resources	30	23
Improve efficiency of industrial and other investments	23	33
Develop foreign trade	3	3
Other	7 a/	1
Total	100	100

a/ Denotes unprogrammed reserve.

22. The third country programme has not allocated all its IPF, but has rather maintained an unprogrammed reserve to have the necessary flexibility for new projects. Also, through supplementary allocations, the IPF was increased by $9.625 million. As noted earlier, advantage was taken of this reserve to respond to emerging needs and focus attention on future developments.

23. The review meetings did not identify any critical problems experienced in the implementation of the third country programme, notwithstanding some earlier delays.

B. The country programme as a frame of reference

24. The third country programme has indeed effectively functioned as the main framework for technical co-operation programmes of all United Nations agencies, although several of these agencies also have their own programmes. All the agencies were closely involved in preparation of the third country programme and actively participated in the mid-term review exercise. The central role of the third country programme was also confirmed by the joint review of the programmes of assistance from other United Nations agencies held at the same time as the mid-term review. Given not only its size (being the fifth largest UNDP programme in the world) but also its relatively significant role in the context of scarce hard currency resources of Viet Nam, the country programme also plays a leading role among technical co-operation programmes and in facilitating other investments. In addition, it works in close collaboration with the limited programmes of bilateral assistance. It is to be noted that the amount of external assistance to Viet Nam in 1988 was estimated at only $150 million (excluding that from the Soviet Union and other socialist countries for which full data are not available, except from the German Democratic Republic), of which the United Nations system provided $67 million, with UNDP providing about $21 million.

C. The continued relevance of the country programme

25. The objectives of the third country programme (see para. 19) have remained relevant to the Government's current priorities and have been closely followed during programme implementation. All the projects approved under the country programme and those under consideration are in accordance with the Government's development goals and the objectives of the third country programme which have been reinforced by the recent economic changes.

26. It was noted, however, that the main shortcoming of the programme was the lack of a mechanism for the transfer of research results to production. In this context, it was noted that more attention should be given to the restructuring and rehabilitation of industry as well as to quality control and management. Also, the programme should allocate more funds to both control of post-harvest losses and rural development.

27. Since the third country programme has been implemented according to the overall design and in agreement with the objectives of the Government and since the mid-term review process itself provided an opportunity for a close appraisal of the country programme, it was decided that an evaluation of the programme was not required.

D. Recommendations of the mid-term review

28. It was agreed that in general the programme was progressing on schedule and that the objectives were relevant. It has also responded flexibly to new development policies. The issues raised and recommendations made in the mid-term review refer, therefore, not to radical changes in the country programme, but to

the need to eliminate the existing bottlenecks in the formulation, approval and implementation process and to improve performance by all parties. The following recommendations should be highlighted:

(a) The project appraisal and approval process should be shortened by undertaking as many steps as possible on a parallel basis, including the strengthening of backstopping and technical staff at headquarters. A time-limit was suggested to be established on the technical clearance of the project document by the agency, endorsement by the Government, and approval or non-approval by UNDP headquarters;

(b) Project formulation should be further improved by building up rosters of agency experts especially trained for this purpose or by assigning qualified staff to draft project documents. Field project appraisal should ideally be held with the project formulator prior to his/her departure from the field;

(c) A project steering committee should be established upon signature of the project document to take early action before the arrival of the chief technical adviser and between the intervals of his/her split assignment. More than one candidate should be provided by the agency for each post to facilitate the selection by the Government;

(d) Agency backstopping should be improved through, inter alia, regular visits to Viet Nam by the respective area officer. International expertise should be supplemented by United Nations volunteers and free lance experts through TOKTEN and short-term advisory services (STAS);

(e) Co-ordination between all parties concerned and within the Government at different stages of project formulation and execution should be improved. Communications between the field office and headquarters should be improved through the establishment of a satellite link;

(f) Tripartite reviews should be empowered to decide upon budget increases of between 15 per cent to 20 per cent of the total project budget without reference to the Government, especially in cases where cost overruns were involved;

(g) In order to improve the training component, care should be taken to ensure that trainees are properly selected, that their reports are handed in promptly and technically evaluated. Alternative country itineraries should also be established well in advance in order to avoid delays in overseas training;

(h) An important policy issue addressed by the mid-term review related to whether the 50 per cent limit established by UNDP headquarters on the equipment component should refer to the overall programme and not to each individual project. It was therefore proposed that UNDP should be more flexible on future projects in allocating funds for equipment;

(i) Among the measures suggested to enable the Government to execute projects successfully, the need to train personnel on the rules and regulations of UNDP and agencies was emphasized.

E. Programme adjustments in response to changes in the political and economic environment

29. Although programme implementation was well on track, several adjustments were proposed in response to the changes in the political and/or economic environment of the country. A process of careful scrutiny of all pipeline project proposals was initiated to further sharpen the focus of the programme.

1. Overall programme

30. During the remainder of the third country programme and during the fourth country programme, a stronger emphasis on rapid agricultural production is essential, leading to a position of agricultural surplus, rather than just food self-sufficiency.

2. Training

31. The training of project administrators, recently initiated by UNDP, was considered most important, particularly as the modality of part-time chief technical advisers and short-term consultants was increasingly utilized. The training of national project directors was also required.

3. Follow-up investment

32. The Government very much favoured follow-up investment, especially on projects which have pilot plants. It is in this context that bilateral assistance should be tied in to these projects and the consideration of donor countries for this purpose would be much welcomed.

4. Environment

33. Co-ordination between the agencies involved should be strengthened. The forthcoming seminar on environment and sustainable development, to be jointly funded by UNDP, the Swedish International Development Agency (SIDA) and the United Nations Environment Programme (UNEP) was considered important.

5. Non-governmental organizations

34. The Government very much welcomed the contribution of the NGOs and the work of UNDP in promoting this in Viet Nam. In 1988, international NGOs provided $13.2 million dollars worth of assistance to the country.

6. Sector reviews

35. Many ministries and Government institutions benefit from sector reviews, particularly the State Planning Committee. Therefore, it was recommended that these sector reviews be executed with less delay than is currently the case.

7. Evaluation missions

36. Recommendations of evaluation missions on individual projects should be studied with care by all parties concerned, in order to decide on the adoption of their recommendations.

8. Twinning arrangements

37. Twinning arrangements would be welcome where required, since this would improve the sustainability of projects.

IV. CONSISTENCY OF THE THIRD COUNTRY PROGRAMME WITH THE STRUCTURAL ADJUSTMENT PROGRAMMES

38. Viet Nam has no ongoing structural adjustment programmes directly advised and monitored by the international financial institutions but, as already stated, has launched upon a series of major economic reforms. It does wish to enhance its relations with the World Bank, the International Monetary Fund (IMF) and the Asian Development Bank (AsDB), but these have until now been limited to visits of staff from these institutions. Although these missions have provided important advice, no funds are forthcoming, in spite of the fact that the country has urgent needs for financial resources and that its ongoing financial policies are directed at adjusting its economy. Within this context, the recent collaboration of the World Bank through the provision of consultants on various UNDP-sponsored missions and the possibility of a future role as an executing agency is welcomed by the Government. Equally, it was highlighted in the mid-term review that the involvement of the World Bank and AsDB could lead to substantial follow-up investment in the future.

39. The latest response of the UNDP programme, especially in the conduct of a macro-economic study which could lead to a round-table meeting of donors, the new focus on follow-up investment promoted under UNDP-funded projects, and the forthcoming mission from the FAO Investment Centre as well as inputs from UNCDF and investment promotion services of UNIDO, were expected to support the United Nations Capital Government in finding solutions to the current problems of Viet Nam.

V. PROPOSED ADJUSTMENTS IN THE FOURTH COUNTRY PROGRAMME

40. The occasion of the mid-term review, occurring when the preparatory work for the fourth country programme is to start, was also used to look into the future needs. In order to improve the usefulness and effectiveness of UNDP technical co-operation, several issues were proposed for consideration in the preparation of the fourth country programme. These were:

(a) Themes which should receive more attention include: economic management; traditional technical co-operation focused on technology transfer, food production, improved quality of industrial and agro-industrial products, export promotion, science and technology; attraction of concessional and commercial external finance through master plans, sectoral reviews and pre-investment studies; extension services; investment follow-up;

(b) The importance and necessity of pilot plants and pilot projects for Viet Nam was emphasized in the context of effective technology transfer;

(c) It was suggested that additional funds available for human resource development should be matched by measures to promote employment, income, social security and appropriate labour laws and policies;

(d) The issue of scattered resources was raised. Some projects had responded to specific, narrow needs leading to a scattered use of resources. It was noted that the United Nations system should help in co-ordinating reviews of broad fields of interest, and design-integrated efficient programmes to be co-ordinated closely with other external aid sources;

(e) To expedite programme delivery, the UNDP Resident Representative should have the authority to approve projects of up to $1 million with an equipment component of up to 50 per cent of the total project budget;

(f) Each project should be allocated 5 per cent of its total budget for spare parts to improve its sustainability. These funds should be used ideally within the lifetime of the project, but there should be flexibility so that they can also be used after project termination.

VI. OVERALL CONCLUSION

41. The mid-term review of the third country programme was held at just past the mid-point of its duration. It was used both to review the past and prepare for the future. It evoked and enlisted high-level participation from different government agencies and representatives of United Nations agencies both from headquarters and the field. Other bilateral donor representatives also attended and found the sessions useful.

42. The mid-term review concluded that although there have been many sweeping economic changes in the country since the country programme was approved in 1986, its basic objectives remained valid. It was also noted that the available funds in

the country programme and other sources in UNDP have been used to respond to macro-economic changes and to facilitate the absorption of future increased external assistance from Official Development Assistance (ODA) and commercial sources. The process set in motion by the high-level and in-depth scrutiny of the country programme at the mid-term review will strengthen the programmes in the future.

Annex

FINANCIAL SUMMARY

I. RESOURCES TAKEN INTO ACCOUNT FOR PROGRAMMING	$	$
A. IPF resources taken into account for programming at time of approval of country programme		83 493 000
B. IPF resources taken into account for programming at time of mid-term review		104 095 000
Other resources		
PDF allocations	141 831	
Programme cost-sharing	-	
Government project cost-sharing	-	
Third-party cost-sharing	204 720	
Other sources	1 357 595	
C. Net change in IPF resources (B-A)		20 602 000

II. USES OF IPF RESOURCES FOR 1987-1991

	Start of country programme		Mid-term review		
	No.	$	No.	$	$
Approved projects	66	48 110 938	157 a/		104 245 242
Exp. against appr. projects				59 089 739	
Unexpended balance of funds committed to projects				45 155 503	
Unprogrammed reserve		35 382 062			(15 509 662)
TOTAL OF ALL PROJECT PROPOSALS, INCLUDING PIPELINE					119 604 662

a/ Of which, 41 projects ($15,977,073) not originally in country programme.